

STATE OF SOUTH DAKOTA CLASS SPECIFICATION

Class Title: Revenue Auditor

Class Code: 10152

A. Purpose:

Conducts sales, use, excise, and fuel tax audits of businesses or corporations licensed to do business in the state to determine compliance with the state's tax laws, whether taxes are due the state, and if so how much.

B. Distinguishing Feature:

Revenue Auditors either independently or in conjunction with a Senior Revenue Auditor, audit taxpayers to determine and ensure compliance with South Dakota tax laws.

Senior Revenue Auditors function as lead workers by training, assigning, and reviewing the work of other auditors; and conduct out-of-state audits on businesses, companies, contractors, or suppliers classified as large and complex by the size of the business, address complicated tax issues, companies may have multiple businesses or be multi-level corporations, nationwide and Fortune 500 companies, operate large computerized accounting systems, or the business may be involved in diverse un-related business activities under various licenses.

Revenue Supervisors supervise revenue agents, revenue auditors, or dealer inspectors in the Department of Revenue.

C. Functions:

(These are examples only; any one position may not include all of the listed examples nor do the listed examples include all functions which may be found in positions of this class.)

1. Conducts audits of businesses in and out of state and assists senior auditors on large in-state audits and out-of-state audits to ensure businesses licensed in the state are filing tax returns properly, and paying all sales, use, excise, and fuel taxes due the state.
 - a. Contacts selected businesses to explain the purpose of the audit and to set an audit date.
 - b. Discusses what records will be needed to conduct the audit, the space and time needed for the audit, and audit procedures.
 - c. Requests information and/or accounting records for a preliminary review and to help plan the audit.
 - i. Prepares and sends out the Notice of Intent.
 - ii. Determines the sampling method and sample periods for the audit.
 - d. Travels to businesses and meets with the business owners and/or their representatives to discuss the purpose of the audit and to identify what records will be needed.
 - e. Reviews a business's financial and tax information through copies of invoices, printouts, or by directly accessing the information on the business's computer system.
 - i. Keeps the taxpayer informed of audit findings during the audit.
 - ii. Explains and interprets tax laws and policies to the business owner and/or their representative(s).
 - f. Determines the accuracy and completeness of the taxpayer's records and tax returns.
 - g. Prepares audit work papers, determines if there is any additional tax liability or overpayment, and gives the work papers to the supervisor for review and approval.
2. Researches, selects, and plans for audits of businesses to develop an inventory of businesses to be audited.

- a. Reviews audit priority lists.
 - b. Researches and analyzes leads and database files for potential audits.
 - i. Reviews information from previous audits and leads discovered or brought to their attention by others.
 - ii. Examines a business's reporting history to determine if a business is making numerous errors in filing returns or possibly not filing returns.
 - c. Selects and submits a list of potential audits for approval.
3. Provides assistance, education, and fraud deterrence information to taxpayers to help them understand tax laws and policies and record keeping requirements.
 4. Performs other work as assigned.

D. Reporting Relationships:

The position reports to a Revenue Supervisor.

E. Challenges and Problems:

Challenges include understanding and applying all of the sales, use, excise, and fuel tax laws, regulations, and tax policies to the many businesses that have a South Dakota tax license; explaining to taxpayers how the tax laws, regulations, and policies apply to their specific business or type of situation; informing a taxpayer they have been selected for an audit and then explaining to them they may be subject to a large tax assessment; and extracting pertinent business data from different types of accounting software applications.

Problems include working with businesses with incomplete records, dealing with paperless audit trails, differences or problems with a taxpayer's record keeping system and methods, taxpayer resistance and/or hostility, applying tax laws to many different businesses and tax scenarios, auditing businesses with multiple licenses, coordinating the audit with the taxpayer, dealing with taxpayers who do not respond to requests for information, unusual tax questions posed by a taxpayer, making sure the information given to a taxpayer is consistent with information being given to all similar taxpayers or businesses, selecting and conducting audits that are a priority to the department, requesting and obtaining information from businesses with complex record keeping systems and huge amounts of data and invoices, finding someone in a business that knows the business's complete tax reporting structure, especially when business's downsize or merge, determining tax liability for companies billing each other for services, and working with taxpayers who have no records and/or are not willing to present what they have.

F. Decision-making Authority:

Decisions made include identifying and selecting businesses to audit; negotiating with a business the date and time for an audit; determining the most efficient and effective way to perform an audit; identifying which audit procedures, tax laws and tax policies apply to specific situations; when it is appropriate to seek advice or assistance from the audit supervisor on complex or unusual tax issues; whether an audit should be detailed or a sample and for what periods; which tax and accounting records need to be reviewed and if those records are accurate; advising a taxpayer on what records they should be keeping; how to interpret the taxability of specific issues; if tax records are valid; the priority of audits; and the proper tax assessment.

Decisions referred include final approval of audit selections, how to deal with unusual or difficult tax scenarios, whether an audit should be referred to a criminal audit, approval of audit work papers/reports, what to do with angry or hostile taxpayers, what to do when there are no formal or standard procedures to follow, and final decision on penalty assessments.

G. Contact with Others:

Daily contact with taxpayers or their accountants, business managers, or attorneys to request, give, and receive information.

H. Working Conditions:

The incumbent works in an office environment and frequently travels to taxpayers' businesses to conduct audits. Records are stored often in large heavy boxes requiring heavy lifting and moving. There is the potential for hostility or violence from taxpayers who are facing a large tax assessment or protesting state tax laws.

I. Knowledge, Skills and Abilities:

Knowledge of:

- generally accepted accounting principles (GAAP), standards, and practices;
- standards, concepts, and objectives of auditing;
- various types of accounting software, both mainframe and personal computer;
- general computer operation.

Ability to:

- deal tactfully with others;
- communicate effectively both orally and in writing;
- conduct financial audits;
- work with electronic data and automated accounting systems and extract necessary data;
- use a lap top computer;
- reconstruct income, sales, and expenses in order to determine taxes owed;
- be flexible and adapt to various situations outside of the office;
- read and interpret tax laws.